



## PROPTECH AERO LTD STANDARD TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES Rev.3

### 1. DEFINITIONS AND APPLICABILITY

1.1 In these Conditions (a) "Proptech" means Proptech Aero Ltd; (b) "Supplier" means the person or organisation selling or offering to sell Goods and/or Services; (c) "Goods" means goods described in a Purchase Order (including Proptech's Goods, where the context so admits); (d) "Proptech's Goods" means goods supplied by Proptech (including, without limitation, equipment, tooling, materials and designs) for the purpose of receiving or being quoted for Services; (e) "Services" means services described in a Purchase Order (including, without limitation, supply and fitting of Goods, reconditioning, overhaul, repair, servicing, testing and inspection work) or expressions of opinion/giving of advice; (f) "Purchase Order" means written instructions of Proptech to purchase Goods and/or Services; (g) "Order Acknowledgement" means a written notice of the Supplier accepting an order for Goods and/or Services.

1.2 These Conditions are deemed to be incorporated in every agreement entered into by Proptech and the Supplier for the purchase of Goods and/or Services by Proptech from the Supplier. These Conditions apply in place of and prevail over any terms and conditions contained or referred to in the Supplier's Order Acknowledgement or catalogues or in correspondence or elsewhere or implied by trade usage, custom, practice or course of dealing and any purported provision to the contrary is hereby excluded or extinguished.

1.3 No amendment or addition to these Conditions shall be binding on Proptech unless specifically agreed in writing by a director of Proptech.

### 2. PLACING AND ACCEPTANCE OF ORDERS

2.1 Proptech, by placing its Purchase Order (which shall include reference to certification release requirements), makes an offer to purchase Goods and/or Services from the Supplier subject to these Conditions.

2.2 The Supplier shall issue an Order Acknowledgement to Proptech within 5 working days of receipt of a Purchase Order or amendment thereto.

2.3 Delivery of Goods or provision of Services specified in a Purchase Order or issue of an Order Acknowledgement shall constitute acceptance of these Conditions by the Supplier.

2.4 A valid agreement for the purchase of the Goods or Services described in the Purchase Order shall come into existence on receipt and acceptance by Proptech of the Supplier's Order Acknowledgement. 2.5 Proptech reserves the right to amend any term of a Purchase Order (including, without limitation, quantities, delivery dates or specifications of Goods or Services) by notice to the Supplier at any time, in which case the applicable price shall be adjusted by agreement between the parties.

2.6 The Supplier shall not vary a Purchase Order without prior written authorisation from Proptech. No Goods or Services will be accepted or paid for by Proptech unless rendered pursuant to a Purchase Order.

### 3. CANCELLATION

3.1 By written notice at any time prior to delivery, Proptech may cancel any Purchase Order which has not been fully performed, in which event Proptech will pay for and accept delivery of all Services completed at the date of cancellation and shall pay the Supplier a fair and reasonable sum in respect of all work in progress at the date of cancellation subject to such work in progress being transferred to Proptech.





3.2 Proptech may at any time prior to delivery (without prejudice to any of its other rights and without any further obligation to the Supplier) cancel any order and treat as discharged any contract if (a) the Supplier breaches any of its obligations to Proptech (including without limitation delay in delivery of the Goods or Services or deficiency in the quality of the Goods supplied or the performance of the Services); or (b) the Supplier wrongfully stops payment of any debt or is deemed to be unable to pay its debts (within the meaning of Section 123 of the insolvency Act 1986 save that sub-section (2) thereof shall be construed as if the words "... it is proved to the satisfaction of the court that ..." have been omitted); or (c) a receiver, liquidator, trustee encumbrancer or similar officer is appointed over the whole or any substantial part of the Supplier's undertaking, property or assets or if a petition is presented for the appointment of an administrator of the Supplier; or (d) the security of any of the Supplier's secure obligations is enforced or any distress, execution sequestration or other process is levied or enforced on or taken out against the Supplier or (e) the Supplier enters into or offers to enter into any arrangements or composition for the benefit of its creditors; or (f) provisions equivalent to (c), (d) or (e) in any other system of law apply to the Supplier.

#### **4, PRICE AND PAYMENT**

4.1 The prices charged for Goods and Services shall be those applicable at the time the order was placed by Proptech, as indicated in the Supplier's price lists or catalogues unless otherwise agreed in writing by the parties.

4.2 All prices referred to in the Supplier's price lists, catalogues, Order Acknowledgements or other correspondence must specify whether they are net or inclusive of tax and, where applicable, the amount of value added tax (at the applicable rate) and any other tax or duty payable by Proptech. 4.3 Any tax or duty incorrectly charged to and paid by Proptech shall be refunded as soon as the error is discovered by the Supplier or drawn to the Supplier's attention by Proptech.

4.4 Where a minimum charge is applicable to a Purchase Order, the Supplier shall notify Proptech of the minimum quantity required to meet the charge or, alternatively, combine the Purchase Order with other orders placed by Proptech, but without prejudicing traceability.

4.5 Any deposit held by the Supplier will be fully refundable to Proptech on demand in the event of non-performance, unreasonable delay or deficiency in the performance of a Purchase Order, unless due to Proptech's default.

4.6 Payment of Supplier invoices shall be made by Proptech in accordance with the terms as specified in the Purchase Order

4.7 The Supplier may make a reasonable charge for stripping or inspection work carried out on Proptech's Goods to prepare an estimate for Services plus the cost of preserving Proptech's Goods while Proptech considers a quotation. In each instance, such amounts shall be offset against the price of Goods or Services in the event that Proptech subsequently places an order.

4.8 Proptech may set off and deduct against the Supplier's invoices any sums which may be due to Proptech from the Supplier on any account whatsoever.

4.9 If Proptech disputes an invoice in good faith it shall provide the Supplier with written details of the disputed element within 30 days of the date of the invoice and time for payment shall be extended until the dispute has been resolved.

#### **5. INSPECTION**

5.1 Proptech's representatives, its customers and Regulating Authorities shall have the right to visit the Supplier's premises on reasonable notice to inspect ordered goods and/or to monitor the progress of the services, but such inspection shall not constitute acceptance or relieve the Supplier of any obligation under these Conditions. The Supplier shall provide an escort for any such visits.

5.2 Before delivering Goods, the Supplier shall inspect and test them for compliance with all applicable legal and manufacturer's requirements and standards, and shall supply Proptech with certificates of the results of such inspection and testing in the appropriate form.



## **6 DELIVERY**

- 6.1 Time for delivery of the Goods and performance of the Services shall be of the essence.
- 6.2 The Supplier shall deliver the Goods at its own expense and risk on the dates and in the manner and to the place specified in the Purchase Order.
- 6.3 If requested or agreed to by Proptech, the Supplier will arrange for transportation of the Goods to any place other than the place specified in the Purchase Order and/or apply for any permits or approvals specified by Proptech.
- 6.4 Goods shall be packed in such a manner as to reach the place of delivery in an undamaged condition.
- 6.5 All packing containers must be marked with the Supplier's name and Proptech's Purchase Order number and must be accompanied by an accurate description of the Goods and their quantity. Proptech will not be responsible for any packing charges or returnable containers.
- 6.6 Goods Inwards Opening Times are Monday - Thursday 0800 - 16.00, Friday 0800 - 14.00.

## **7 PASSING OF PROPERTY AND RISK**

- 7.1 Title to Goods supplied (whether on their own or as part of the performance of Services) shall pass to Proptech on delivery subject to Proptech's right of rejection.
- 7.2 Risk in the Goods shall pass on delivery, but shall revert to the Supplier on rejection by Proptech.

## **8 REJECTION**

- 8.1 All Goods are subject to final acceptance by Proptech after delivery to a Proptech facility.
- 8.2 Any non-delivery, shortage in delivery or any claim by Proptech in respect of any delivery shall entitle Proptech to reject the Goods and/or any balance of Goods or Services ordered.
- 8.3 Rejection shall be notified in writing by Proptech to the Seller within 30 days of delivery, or in the case of a not immediately apparent defect, within 30 days of Proptech becoming aware of the defect.
- 8.4 Goods rejected by Proptech on inspection at or after delivery will be returned to the Supplier, at the Supplier's cost, and shall not be replaced by the Supplier without written instructions from Proptech.
- 8.5 Proptech shall not be liable to pay the Supplier for the price of rejected Goods or Services and shall be entitled to a refund of the price if already paid.

## **9 PROPTECH'S GOODS**

- 9.1 All Proptech's Goods, including Free Issue Material, which may be loaned or supplied to the Supplier in respect of the performance of the Purchase Order shall be at the Supplier's risk until returned to a Proptech facility and shall not be used for purposes unconnected with the performance of the Purchase Order without the prior written consent of Proptech.
- 9.2 Delivery to the Supplier of Proptech's Goods for the purpose of obtaining an estimate for Services authorises the Supplier to strip and inspect such Goods solely for the preparation of an estimate. 9.3 The Supplier shall ensure that Proptech's Goods are at all times readily identifiable as being the property of Proptech.
- 9.4 Proptech's Goods retained by the Supplier with the written agreement of Proptech shall be preserved in good condition and shall be returned to Proptech on demand.
- 9.5 The Supplier shall be liable to return to Proptech or account to Proptech for any of Proptech's Goods which the Supplier deems unserviceable and shall comply with any instructions of Proptech specified in the Purchase Order regarding the disposal of unserviceable Proptech Goods.
- 9.6 Any Free Issue Material supplied by Proptech to the Supplier shall be and shall remain the property of Proptech. The Supplier shall use such material solely for the purpose of the Order unless otherwise agreed in writing by Proptech.
- 9.7 The Supplier shall be liable for any wastage or scrap of Free Issue Material or Goods as a result of any negligent act of omission on the part of the Supplier or any persons employed by the Supplier and will be charged to the Supplier at full cost.



## **10. WARRANTIES**

10.1 The Supplier will, so far as it is able, pass on to Proptech the benefit of any warranty given by any third party (whether manufacturer, sub-contractor or otherwise) in respect of Goods and/or Services.

10.2 The Supplier warrants that it will perform all Services with reasonable care and skill in accordance with all applicable laws, airworthiness regulations, overhaul manuals, manufacturer's technical instructions, mandatory service bulletins, plus any non-mandatory service bulletins and/or written instructions of Proptech accepted in an Order Acknowledgement (including the quality requirements of Condition 11), provided always that the Supplier may with the prior written consent of Proptech make minor changes to Goods and/or Customer's Goods which do not affect quality, price installation or interchangeability.

10.3 The Supplier warrants that all Goods will be free from any defects in materials and workmanship, will be fit for their purpose and for any special use contemplated by Proptech communicated to the Supplier and conform in all respects as to quantity, quality, design and description specified by Proptech and with any samples, drawings or specifications provided by either Proptech or the Supplier.

10.4 These warranties shall be in addition to any other warranties given by the Supplier, whether express or implied by law.

10.5 If Proptech discovers within 12 months of, or during the first 1000 hours of operation following delivery of Goods (whichever shall occur later) that, fair wear and tear excepted, the Supplier has failed to comply with the warranties in Conditions 10.2 or 10.3 in relation to Goods and/or Services, the Supplier shall repair or, at Proptech's option, replace the subject Goods free of charge (including costs of transportation to and from the Supplier's facility), such obligation to include secondary damage within the Goods.

10.6 If Proptech discovers within 12 months of the date of any expression of opinion or giving of advice by the Supplier in writing that there was a material error in any expression of fact of which the Supplier should have been aware within the exercise of due diligence, the Supplier shall credit Proptech with the price paid in respect of such opinion or advice.

10.7 Warranties given by the Supplier are transferable by Proptech to a third party with the Supplier's written consent, such consent not to be unreasonably withheld.

10.8 If a warranty claim is accepted by the Supplier and rectification work is carried out, the applicable Supplier warranty period will be extended by the period of time taken to complete such work and redeliver the Goods to Proptech.

## **11. QUALITY REQUIREMENTS**

All Goods and Services shall satisfy the requirements of (a) the Purchaser Order; (b) Proptech's Supplier Evaluation and Subcontract Control Procedure; and (c) one or more of the following requirements as specified by Proptech in a Purchase Order:-

11.1 The Supplier's own quality systems as authorised by the European Aviation Safety Agency (EASA). All goods to be accompanied by an EASA Form 1.

11.2 The Supplier's own quality system as authorised by Proptech in accordance with Proptech's Supplier Evaluation and Subcontract Control Procedure. All Goods to be accompanied by a Certificate of Conformity.

11.3 The Supplier's own quality system as approved to ISO 9001 and/or AS9110 as applicable. All Goods to be accompanied by a Certificate of Conformity against Registration.

11.4 Ministry of Defence quality assurance requirements as notified by Proptech.

11.5 Def. Stan 05-61, 05-91, 05-92 or 05-93 and/or AQAP 1, 4 or 9 as applicable. All Goods to be accompanied by a Certificate of Conformity.

11.6 The Supplier's own quality system as authorised by the U.S. Federal Aviation Administration (FAA) in accordance with all applicable Federal Aviation Regulations and relevant Bilateral Agreements. All goods to be accompanied by an FAA Form 8130-3.

11.7 The Supplier's own quality system as authorised by the Authority and in accordance with the Regulations as defined in the main body of the order. All goods to be accompanied by the Release as defined in the main body of the order.



## **12. GOVERNMENT CONTRACTS**

12.1 Any order in respect of a Ministry of Defence (MoD) contract may be subject to Quality Assurance Activity at the Supplier's facility by the MoD QAR and the Supplier shall co-operate with any requirements of MoD personnel.

12.2 To the extent that any order includes Goods or Services which form part of a contract between HM Government and Proptech the Supplier shall comply with the terms and conditions of the relevant Government contract, MOD Conditions of Contracts and all letters of instruction issued by the relevant Government department dealing with matters relating to the Government contract in question; Such terms and conditions and letters of instruction are available on request from Proptech.

12.3 The terms of the relevant Government contract shall prevail over these Conditions in the event of any inconsistency.

## **13. SUB-CONTRACTING**

No Purchase Order (or any part thereof) shall be assigned or sub-contracted by the Supplier except with Proptech's written consent.

## **14. INDEMNITY**

14.1 The Supplier will indemnify Proptech, its employees, agents, sub-contractors and associated companies against all damages, losses, costs or expenses (including reasonable legal fees) in respect of third party claims against such parties arising out of or in connection with any Goods or Services supplied to Proptech unless arising by reason of the negligence of Proptech. 14.2 The Supplier shall maintain insurance cover against the liabilities specified in Condition 14.1 and shall on request produce the policy and current premium receipt to Proptech.

## **15. FORCE MAJEURE**

15.1 Neither party shall have any liability to the other for any failure or delay in fulfilling its obligations to the extent that fulfilment thereof is impeded by any event beyond its reasonable control including (without limitation) a flood, storm or other natural event; or any war, hostilities, revolution, riot or civil disorder; or any destruction, breakdown (permanent or temporary) or malfunction of, or damage to, any premises, plant, equipment or materials (including any computer hardware or software or any records); or the introduction of, or any amendment to, a law or regulation, or any change in its interpretation by any authority; or any action taken by governmental or public authority or any agency of the European Union, including any failure to grant a consent, exemption or clearance; or any strike, lock-out or industrial action; or any unavailability of, or difficulty in obtaining plant, equipment or materials; or any breach of contract or default by, or insolvency of, a third party (including an agent or sub-contractor).

15.2 Condition 15.1 does not apply unless the party seeking relief promptly notifies the other party of the delay and its cause and takes reasonable steps to be in a position to resume performance with the least delay, except that in the event of shortages of goods, materials or available resources the nonperforming party shall have the right to allocate as it thinks fit the goods, materials and resources available between third parties with whom it has contractual obligations in respect thereof and shall not be obliged to purchase from non-standard suppliers or contractors to make good such shortages. 15.3 If a party cannot fulfil its obligations by reason of any event covered by Condition 15.1 for a period of 90 days, each party's obligations to the other will terminate on written notice of either party and the Supplier shall deliver any Proptech Goods in its possession to Proptech and shall be paid in proportion to the amount of completed Services.

15.4 This Condition 15 shall not apply to any matters in so far as and to the extent that they are covered by warranties set out in Condition 10.



## **16. ETHICAL COMPLIANCE**

16.1 The Supplier shall and shall procure that persons associated with it or other persons who are connected to the Contract shall: (i) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anticorruption ("Relevant Requirements"), including but not limited to the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act; (ii) not do, or omit to do, any act that will cause or lead Proptech to be in breach of any of the Relevant Requirements or Relevant Policies; (iii) certify compliance with the Relevant Requirements and Relevant Policies on demand by Proptech.

## **17. IMPORT/EXPORT CONTROLS**

17.1 At all times, Supplier will comply with all applicable import and export control laws and regulations, including those of the United Kingdom (UK), European Union (EU) and any of its Member States and the United States of America (U.S.) then in effect relating to imports/exports (including permanent and temporary exports, as well as temporary imports), re-exports and other foreign transactions. Applicable import/export control laws and regulations may include, without limitation, UK export control laws such as the Export Control Act 2002 and the Export Control Order 2008, EU Council Regulation (EC) 428/2009 and U.S. export control laws such as the international Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), the Arms Export Control Act (22 U.S.C. 2778), the Export Administration Regulation (EAR) (15 C.F.R. Parts 730-774), the Export Administration Act of 1979, as amended (50 U.S.C. 2401 et. Seq.). Supplier will also comply with all economic, trade and financial sanctions or embargoes imposed from time to time by the U.S. Department of Treasury, Office of Foreign Assets Control and the European Union or its Member States.

17.2 If Supplier will be shipping controlled hardware or technical data to Proptech, Supplier shall provide Proptech with prior written notice of the shipment specifying the nature of the controls and any relevant export classification numbers and await instruction and confirmation from Proptech before conducting the shipment, Parties shall reasonably cooperate with each other in obtaining all required export and import licences, approvals and/or notifications pursuant to such laws. Without limiting the foregoing, Supplier agrees that it will not transfer or otherwise provide access to any ITAR or EAR controlled item, data or services, to include transfer to a person who is not a "US Person" as defined in the ITAR (22 C.F.R. 120.15), without the authority of a U.S. Government export licence, agreement, or other authorisation, such as an applicable licence exemption or exception.

## **18. GENERAL**

18.1 All notices hereunder shall be in writing and in English and deemed to have been given on the date of delivery or refusal if delivered by hand, on the date of dispatch if faxed correctly and legibly, and 7 days after posting if sent by first class post (airmail, if posted to another country), in each instance to the last known address of the party concerned.

18.2 Neither party may assign any of its rights or duties, except to a subsidiary or affiliate, without the prior consent of the other.

18.3 The rights of neither party shall be prejudiced or restricted by any indulgence or forbearance extended by such party or by any delay in exercising or failure to exercise any right and no waiver by either party of any breach shall operate as a waiver of any other or further breach.

18.4 All decisions made by Proptech on matters requiring a determination by Proptech pursuant to these Conditions shall, in the absence of manifest error, be final and binding on the Supplier.

18.5 Each party's rights and remedies are cumulative and not alternative and are not exclusive of each other or any provided by law.

18.6 Any part of these Conditions found by any court or other competent authority to be unenforceable shall be considered capable of being cut out so as not in any way to affect the remainder.

18.7 With the exception of the third parties specified in Conditions 10.1 and 14, a person who is not a party to an agreement incorporating these Conditions shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such agreement. This Condition 18.7 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act. 18.8 The Supplier shall take reasonable precautions to ensure that none of its officers and employees discloses or uses any confidential information (meaning any information Proptech might reasonably expect to object for whatever reason to its becoming generally known) the Supplier acquires from Proptech pursuant to a Purchase Order



or otherwise, save as reasonably necessary for the performance of the Supplier's obligations to Proptech, or as required by law.

18.9 The Conditions and any agreement between Proptech and the Supplier to which these Conditions apply shall be governed by and construed in accordance with English law and the English courts shall have exclusive jurisdiction to adjudicate any dispute which arises in relation thereto save that, as the provision conferring jurisdiction is for the benefit of Proptech only, Proptech shall retain the right to bring proceedings against the Supplier in any other court which has jurisdiction and in whose jurisdiction the Supplier has a place of business or has a bank account or owns assets.